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Market Development Reports

Food Business Line - Periodic Press Translations

2007

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Report Highlights: The *Japan Food Service Association* (JF) recently conducted a survey of its member companies on U.S. beef. According to the survey, under 30% of the companies that used U.S. beef before the ban are currently using U.S. beef. The major reason for the lack of use was high price. JF will ask the Japanese Ministry of Health, Labor and Welfare to ease import regulations. Pistachios are attracting attention in Japan. Major confectionery manufacturers have started using pistachios as an ingredient for chocolate cookies and snacks and retailers have also started selling pistachios.

Includes PSD Changes: No
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Food Business Line

Periodic Press Translations from ATO Tokyo Vol. VI, Issue 10, December 1-31, 2006

Retail/Wholesale

- Major food wholesalers are cultivating new-to-market wines. *Meidi-Ya Co., Ltd.* and *Meidi-Ya Shoji Co., Ltd.* started importing and distributing “WENTE” from California and *Nippon Shurui Hanbai Co., Ltd.* started importing “Schonleber” from Rheingau, Germany. (b. 12/25)
- “Net Super” service is becoming popular among housewives who are raising children. “Net Super” is the delivery service offered by supermarkets to customers who purchase items through the Internet. Supermarkets originally targeted older customers and working women, but found that about 70% of the users were housewives who are raising children. (a. 12/26)
- High-end supermarkets such as *Kinokuniya Ltd.* and *Odakyu OX Co., Ltd.* are trying to obtain ISO International Standards 9001 certification. ISO 9001 provides a set of requirements for a company’s Quality Management System to enhance customer service. (b.12/6)
- *Three-f Co., Ltd.* will be expanding sales for fresh products such as vegetables and meat by upgrading their distribution center by the end of January. (b.12/18)

Food Service

- *Lotte Co., Ltd.* and *Revamp Corporation*, an industrial revitalization company, will open up Burger King outlets in the summer 2007 under a franchise contract. They are planning to open 100 outlets within five years. This is going to be the second time for Burger King in Japan. The company closed operations in the country in 2001 due to poor sales. (a. 12/5)
- In addition, Japan’s first *Krispy Kreme Doughnuts* outlet opened in Shinjuku on December 15. *Lotte Co., Ltd.* and *Revamp Corporation* established *Krispy Kreme Doughnuts (KKD) Japan*. *KKD Japan* is planning to open 50 outlets by 2011. (b. 12/6)
- *Yoshinoya D&C, Ltd.* started once again to sell beef bowls everyday, but only at lunch.
- Due to the drunk driving laws, *Yoshinoya D&C, Ltd.* will stop selling beer and sake at their 621 outlets that have parking lots. *Matsuya Foods Co., Ltd.* also stopped selling beer at their 218 outlets. (b.12/8)
- The *Japan Food Service Association (JF)* recently conducted a survey of its member companies on U.S. beef. According to the survey, under 30% of the companies that used U.S. beef before the ban are currently using U.S. beef. The major reason for the lack of use was high price. JF will ask the Japanese Ministry of Health, Labor and Welfare to ease import regulations. (b.12/20)

Food Processing/New Products/Market Trends

- In December, the wholesale price of *Mikan* mandarin oranges was around 79% higher than during the same period the previous year. The harvest in Ehime prefecture was negatively affected by poor weather conditions. (a. 12/23)
- The *Italian Gelato Association* and the *Japan Gelato Hygiene Association* were combined into the new *Japan Gelato Association* in order to further develop Italian gelato in Japan. The new association has 104 members including shops, ingredients manufacturers and machinery manufacturers. (f. 12/4)

- *Asahi Breweries, Ltd.* will start a sugar-free “Style Free” *Happoshu* beer in March, which targets health conscious consumers. Nonetheless, there are several breweries in Japan that sell “healthy beer” and thus the competition will be intense. (g. 12/6)
- Chickens grown without using antibiotics are selling well. UNY Co., Ltd.’s original brand “Yuzen-dori” chicken is very popular with consumers even though the price is 40-50 yen higher than the average chicken. (b. 12/4)
- The size of the market for pet food was 284.6 billion yen (around \$2.37 billion) in 2005, which was an increase of 2.9% compared to the previous year. (b.12/8)
- Pistachios are attracting attention in Japan. Major confectionery manufactures have started using pistachios as an ingredient for chocolate cookies and snacks and retailers have also started selling pistachios. (b.12/18)
- *MAFF (The Japanese Ministry of Agriculture, Forestry and Fisheries)* has published the guidelines for labeling “wagu” and “kurobuta.” The guidelines designate only Japan-born beef as “wagyu.” However, the guidelines do not require “kurobuta” to be designated as only Japan-born Berkshire pork, but require the country of origin to be indicated on the label. (a. 12/19, b. 12/20)
- Valentine’s Day business will become popular in Japan after the New Year holiday season. Alcoholic beverages will be one of the hot gift items. Chocolate flavored beer and cocktail will also be introduced. Department stores will make a strong effort to sell Valentine’s Day gifts that combine chocolates and alcoholic beverages. (b.12/22)

Food Safety/Consumer Awareness

- No significant articles.

ATO/Cooperator/Competitor Activities/Trade Shows

- *USA Rice Federation* will promote California rice “Cal-Rose” for salad use at restaurants, high-end supermarkets and department stores. (b. 12/25)

Sources

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|----------------------------------|---|
| (a) The Japan Economic Newspaper | (b) The Nikkei Marketing Journal |
| (c) The Japan Food Journal | (d) The Beverage & Food News Commentary |
| (e) The Japan Food News | (f) The Food Industry News |
| (g) Fuji Sankei Business I | (h) Pan News |
| (i) Nihon Keizai Shimbun | |

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